

COR-1929
10 January 1963

MEMORANDUM FOR THE RECORD

SUBJECT: Concurrence in Amendment No. 4 to Contract No. BB-450 with Itek Corporation, Lexington, Mass., Project CORONA

1. This Memorandum contains a recommendation submitted for concurrence of the undersigned. Such recommendation is contained in Paragraph 6.

2. Contract No. BB-450 covers the procurements of Photographic subsystem for the CORONA Satellite Reconnaissance Vehicle. The contract, as amended, established a requirement for twenty-two (22) of such systems together with associated equipments and services on a fixed price incentive basis. This Amendment No. 4 procures five (5) additional systems, and five (5) Stellar/Index Cameras for the Lanyard System. However, the prices negotiated for these items are not subject to the Incentive Provision of the contract, but are to be treated on a fixed price basis. The cost of the items shall not be segregated from other elements of the contract and at time of final pricing the negotiated cost of these items will be deducted from the total allocable costs to determine the incentive sharing on the balance of items on the contract. A total price of \$2,261,466 was negotiated for Item 10 through 14 of the contract. Amendment No. 4 also revises the billing prices of Items 1 through 9 which were previously in the contract. The revised billing prices are a downward adjustment since the Contractor predicts a substantial underrun of costs. These revised billing prices in no way effect the firm target prices or the incentive sharing arrangements.


3. Amendment No. 4 obligates an additional sum of \$1,375,263.00 chargeable in FY-1963 to Project CORONA (DOD) Funds. By concurrence to this memorandum the Acting Comptroller signifies that sufficient funds are available for this obligation.

4. The services and equipment being procured by this Amendment No. 4 are in furtherance of the CORONA Program, the nature of which cannot be publicly disclosed for security reasons. The undersigned Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC-2122, signed by the DDCI on 25 October 1961.

Rec'd x761-0572-0002

5. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b) - see 85-507 dated 7/7/58) for each contract.

6. Concurrence in Amendment No. 4 to Contract No. RB-450 is recommended.


Contracting Officer, OSA


CONCURRENCES:


Acting Comptroller, OSA

15 Jan 63
Date

151
JOHN PARANGOSKY
CH/DD/OSA

23 Jan 63
Date


OGC

30 Jan 63
Date

CD/OSA-DE 

Distribution:

Cy 1 - CD/OSA

2 - FB/OSA

3 - RB/OSA

STAT

STAT

STAT

STAT